

**LAWRENCE B. BURKE, OSB #89208**

**larryburke@dwt.com**

**TIM CUNNINGHAM, OSB #100906**

**timcunningham@dwt.com**

**DAVIS WRIGHT TREMAINE LLP**

**1300 S.W. Fifth Avenue, Suite 2400**

**Portland, Oregon 97201**

**Telephone: (503) 241-2300**

**Facsimile: (503) 778-5299**

**Attorneys for Plaintiff**

**UNITED STATES DISTRICT COURT**

**DISTRICT OF OREGON**

**AT PORTLAND**

**JANET M. BENNETT, PH.D.,**

**PLAINTIFF,**

**v.**

**UNITED STATES LIABILITY  
INSURANCE GROUP, a Pennsylvania  
corporation,**

**DEFENDANT.**

**Civil Action No.**

**COMPLAINT FOR BREACH OF  
CONTRACT**

**(Jury Trial Demanded)**

**Plaintiff Janet M. Bennett, Ph.D. alleges:**

**PARTIES**

**1.**

**Plaintiff Janet M. Bennett, Ph.D. (“Ms. Bennett”) is an individual and a resident of the state of Oregon.**

**2.**

**United States Liability Insurance Group (“Defendant” or “USLIG”) is an**

insurance company organized under the laws of the state of Pennsylvania with its principal place of business in Wayne, Pennsylvania. USLIG does business in the state of Oregon and has a registered agent in this jurisdiction.

This is an action for breach of contract arising from Defendant's failure to defend Plaintiff pursuant to defense obligations under an applicable insurance policy, referenced below.

### **VENUE AND JURISDICTION**

3.

This Court has jurisdiction pursuant to 28 U.S.C. § 1332 because the parties are citizens of different states and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

This Court has personal jurisdiction over Defendant pursuant to Fed. R. Civ. P. 4(k)(1) and Oregon R. Civ. P. 4 A(4) and 4 I.

### **CAUSE OF ACTION**

#### **(Breach of Contract – Failure to Defend)**

4.

From March 19, 2009 through March 19, 2013, USLIG issued a business liability insurance policy providing coverage to Ms. Bennett. This coverage included Policy No. SP1017323A for the period from March 19, 2010 to March 19, 2011, with a retroactive date of March 19, 2009. (See Ex. A, Plaintiffs' copy of the policy attached and incorporated by reference.)

5.

The USLIG policy obligates USLIG to provide a defense to Plaintiff for any claim to which the insurance applies even if the allegations of the claim are groundless, false or fraudulent.

6.

The policy provides for reimbursement of reasonable expenses incurred by the insured to attend proceedings.

7.

The policy applies to claims first made against an insured during the policy period.

8.

Milton Bennett sued Ms. Bennett on August 24, 2010. (See Ex. B, a copy of the Amended Complaint attached and incorporated by reference.)

9.

Milton Bennett also provided the complaint to the Oregon Department of Justice, which opened an investigation into Ms. Bennett and the non-profit organization she operates.

10.

The policy applies to any claim for wrongful acts, or personal injury arising out of wrongful acts.

11.

A wrongful act means any actual or alleged error, omission or negligent act by an insured or any person for whom the insured is legally liable in the rendering of professional services.

12.

Ms. Bennett herself is the named insured.

13.

Professional services are those rendered to others for a fee solely in the conduct of the insured's profession.

14.

Ms. Bennett's profession involves work as a Training Specialist and Seminar Conductor.

15.

The Complaint was tendered to USLIG by letter dated September 8, 2010.

16.

Ms. Bennett was forced to retain and reimburse her own defense counsel.

17.

By letter dated April 16, 2012, USLIG refused to provide a defense.

18.

USLIG's failure or refusal to provide a defense has resulted in damages of excess of \$175,000 for defense counsel, experts, and other defense costs, in an amount to be proved at trial.

19.

Ms. Bennett ultimately prevailed in her defense of the Complaint.

20.

One or more of the claims in the Complaint is covered by the USLIG policy as potentially alleging one or more wrongful acts, including, but not limited to:

a) Invoicing clients of Ms. Bennett's professional services through a non-profit entity, effectively assigning income from professional services to the entity, thereby adversely affecting the tax status of the entity;

b) Mischaracterizing funds derived from Ms. Bennett's professional services as deferred compensation due to Ms. Bennett from the non-profit, contrary to the requirements of the Internal Revenue Code and without approval from the board.

21.

USLIG had a contractual duty to provide a full defense to Ms. Bennett under the USLIG policy.

22.

USLIG is obligated to pay all of Ms. Bennett's defense costs and certain reasonable expenses.

23.

Ms. Bennett has satisfied all conditions precedent (if any) to bringing this action

for breach of contract.

24.

USLIG has breached its defense obligations under USLIG's policy by failing and refusing to defend Ms. Bennett.

25.

Ms. Bennett has been damaged in an amount to be proven at trial. Ms. Bennett is entitled to an award of attorneys' fees pursuant to ORS 742.061, reasonable costs and disbursements incurred herein, and prejudgment interest.

### **PRAYER FOR RELIEF**

NOW, THEREFORE, Plaintiff prays for relief as follows:

1. On the First Cause of Action for Breach of Contract – Failure to Defend, for an award of damages against USLIG in an amount to be proved at trial.
2. An award of attorneys' fees on claims pursuant to ORS 742.061;
3. For prejudgment interest and reasonable costs; and
4. For other relief as the Court deems appropriate.

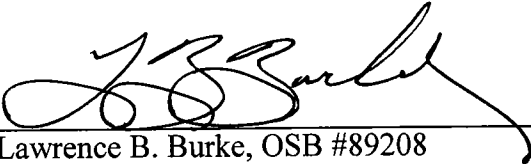
### **DEMAND FOR JURY TRIAL**

Plaintiff demands a trial by jury.

DATED this 5th day of September, 2013.

DAVIS WRIGHT TREMAINE LLP

By



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Tim Cunningham, OSB #100906  
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1300 S.W. Fifth Avenue, Suite 2400  
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Telephone: (503) 241-2300  
Facsimile: (503) 778-5299

Attorneys for Plaintiff